AN ANALYTICAL STUDY OF NET INCOME TAX COLLECTION IN INDIA WITH SPECIAL REFERENCE TO CORPORATE AND NON-CORPORATE ASSESSEE

Synopsis

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INTRODUCTION

"To collect taxes from citizens the way a Bee collects Honey from the flowers-quietly without inflicting pain".

(Chanakya)

"The hardest thing in the world to understand is the Income tax".

(Albert Einstein)

"It was only for the good of his subjects that he collected taxes from them, just as the Sun draws moisturefrom the Earth to give it back a thousand fold".

(Kalidas)

Taxation in India is rooted in the period of **Manu Smriti and Arthasastra**. The present Indian tax system is based on this ancient tax system which was based on the theory of maximum social welfare. In India, the systemof direct taxation as it is known today has been in force in one form or another even from ancient times. A variety of tax measures are referred to in both Manu Smriti and Arthasastra. The wise sage advised that taxes should be related to the income and expenditure of the subject. He, however, cautioned the king against excessive taxation; a king should neither impose a high rate of tax nor exempt all from tax.

According to Manu Smriti, the king should arrange the collection of taxes in such a manner that the taxpayerdid not feel the pinch of paying taxes. He laid down that traders and artisans should pay 1/5th of their profits in silver and gold, while the agriculturists were to pay 1/6th, 1/8th and 1/10th of their produce depending upon their circumstances.

Kautilya has also described in great detail the system of tax administration in the **Mauryan Empire.** Remarkably, the present-day tax system is in many ways similar to the **system of taxation in vogue about 2300years ago.**

Arthasastra mentioned that each tax was specific and there was no scope for arbitrariness. Tax collectors determined the schedule of each payment, and its time, manner and quantity being all pre-determined. The landrevenue was fixed at 1/6 share of the production and import and export duties were determined on an ad-valorembasis. The import duties on foreign goods were roughly 20% of their value. Similarly, tolls, road ferry charges and other levies were all fixed. Kautilya also laid down that during war or emergencies like famine or floods, etc. the taxation system should be made more stringent and the

king could also raise war loans. The land revenuecould be raised from 1/6th to 1/4th during emergencies. The people engaged in commerce were to pay big donations to war efforts. **Kautilya's concept of taxation emphasized equity and justice in taxation.** The affluent had to pay higher taxes as compared to the poor.

BRIEF HISTORY OF INCOME TAX IN INDIA

In India, this tax was introduced in 1860, by Sir James Wilson to meet the losses sustained by the Governmenton account of the Military Mutiny of 1857. In 1918, a new income tax was passed and again it was replaced byanother new act which was passed in 1922. This Act remained in force up to the assessment year 1961-62 withnumerous amendments. In consultation with the Ministry of Law finally the Income Tax Act, 1961 was passed. The Income Tax Act 1961 has been brought into force on 1 April 1962. It applies to the whole of India and Sikkim (including Jammu and Kashmir). Since 1962 several amendments of far-reaching nature have been madeto the Income Tax Act by the Union Budget every year.

Tax is a compulsory contribution to state revenue, levied by the government on various types of person's incomeand business profits, or added to the cost of some goods, services and transactions. . Failure in payment of taxesor resisting to contribute towards it invites punishment under the pre-defined law. Taxes are generally enforcedby a government entity, whether local, regional or national to finance government activities. Tax aid helps in building the economic growth & development of a country. Taxation policy is a core of economic policies, ensuring that countries can maintain and improve their global competitiveness and expand Tax Revenue formspart of the Receipt Budget, which in turn is a part of the Annual Financial Statement of the Union Budget.

Indian taxation system has undergone tremendous reforms during the last decade. The tax rates have been rationalized and tax laws have been simplified resulting in better compliance, ease of tax payment, and better enforcement. The process of rationalization of tax administration is ongoing in India. Government in such a way that they are within one's sphere, co-ordinate, and independent. The taxation power between Union and State is assigned according to the provisions of the Constitution while the taxation powers of Local Bodies areassigned to them by State. In the case of Union Territories, it is assigned by Central Government. At the Central level, the Central Board of Direct Taxes (CBDT) has

been assigned the responsibility for all matters relating todirect taxes in India. The CBDT gets the authority from the Central Board of Revenue Act, 1963.

Article 246 of the Indian Constitution, distributes legislative powers between the Central (Parliament of India)and State Government (State Legislature). Schedule VII of the Constitution describes the detailed division of function and resources with the use of three lists.

List -I deal with the areas in which only the Central Government is competent to make laws,List -II deals with the areas on which only the State Government can make laws and

List -III deals with the areas on which both the Central and State governments can make laws concurrently.

DOCTRINE OF TAXATION

Equity: Equity entails that taxes should be levied in such a way that they promote fairness. The concept of fromeach according to his ability to pay or benefits received is really what the principle of equity is all about a tax system that takes away proportionately more income from higher income earners than from lower-income earners is the termed as a progressive tax system. Inequity, a progressive rate structure, and the minimum exemption policy should characterize the tax system. Thus, equals should be treated equally and unequal to be treated unequally.

Simplicity: A tax system ought to be simple. The simplicity of the tax system means the taxpayer should be able to understand the system and the tax base should be known clearly. The taxpayer should be able to computehis/her liability and the penalties involved for any neglect or failure to comply with tax law. The amount should not be the prerogative of the tax collector, as this will put the taxpayer at a disadvantage and the mercy of the collector and may make the tax system arbitrary.

Economy: The administration of the tax system should be the least expensive in terms of both manpower and material. The cost-benefit analysis is emphasized, as it does not make sense to spend more than the revenue collected. Optimization of collection costs is called for to judge whether a tax system is uneconomic or not, bothpecuniary and non-pecuniary costs should be taken into account. **Certain:** The imposition of tax should yield the expected revenues to assist government planning. Taxes on some commodities are certain while on others are fairly uncertain. On the other hand, this criterion advocates that the taxpayer ought to know precisely and exactly as regards the time of payment, the manner of

payment and the amount to be paid.

Convenience: This calls for the tax to be levied at the time and how it is most likely to be convenient to the taxpayer. The system that allows the payment of tax at month-end, immediately after crop harvest seasons, or provides for the payment of tax through such devices as PAYE or another withholding arrangement can be regarded as convenient to the tax-payers; while a tax system that places the heavy tax burden on tax-payers longafter the income is exhausted is an inconvenient one.

The elasticity of Tax to changes in the tax base: A good tax system should be elastic to changes in the Tax base; the tax is elastic when the amount of revenue it yields increases as fast as or faster than the growth of income or the economic or the economic activities. The elastic tax system yields adequate revenue for plannedprojects.

TYPES OF TAXES IN INDIA:

Direct Tax: A Direct tax is a kind of charge, which is imposed directly on the taxpayer and paid directly to thegovernment by the persons (juristic or natural) on whom it is imposed. A direct tax cannot be shifted by the taxpayer to someone else.

- The tax that is to be paid by the companies on their income is called as corporate tax, and for payment of same in the challan, it is mentioned as Income-tax on Companies (Corporation tax).
- Tax paid by non-corporate assessee is called as Income-tax, and for payment of the same in the challanit is to be mentioned as Income-tax (other than Companies

Indirect Tax: An indirect tax is a tax collected by an intermediary (such as a retail store) from the person whobears the ultimate economic burden of the tax (such as the customer). An indirect tax can be shifted by the taxpayer to someone else. An indirect tax may increase the price of a good so that consumers are paying the taxby paying more for the products.

REVIEW OF LITERATURE

A literature review is a survey of scholarly sources on a specific topic. It provides an overview of current knowledge, allowing you to identify relevant theories, methods, and gaps in the existing research. Conducting a literature review involves collecting, evaluating, and analyzing publications (such as books and journal articles) that relate to your research question. There are five main steps in the process of writing a literature review:

- **Search** for relevant literature
- **Evaluate** sources
- **Identify** themes, debates and gaps
- **Outline** the structure
- **Write** your literature review

A good literature review doesn't just summarize sources – it analyzes, synthesis, and critically evaluates togive a clear picture of the state of knowledge on the subject.

The literature review gives you a chance to:

- Demonstrate your familiarity with the topic and scholarly context
- Develop a theoretical framework and methodology for your research
- Position yourself about other researchers and theorists
- Show how your research addresses a gap or contributes to a debate

The review of literature is divided into two categories:

- National Reviews.
- International Review

TABLE 1. NATIONAL REVIEWS

S.No.	Author	Year	Topic	Objectives	Findings
1	Karuppiah, S., Shanmugam, K. R.	2022	Incidence of Corporate Income Tax: Estimates from Indian Manufacturing Firms.	The purpose of this paper is to examine the incidence of corporate tax on capital and labour in Indian manufacturing sector.	The study shows that, for the manufacturing sector in India for the period 2005-19, the corporatetax has a significant adverseimpact on both wages paid to employees and profit after tax. .Capital owners bear 96.3% of thetax burden and labours bear only 3.7%. The adverse effect on wages is slightly higher in public firms than in private firms.
2	Kishor,P.	2020	Analytical Study of Tax Revenue Collection in India.	To examine total tax collection from 2013-14 to 2017-18 in terms of direct tax and indirect tax and its subtypes.	Corporation tax is the major contributor in direct tax revenue collection. General sales tax is the major contributor in indirect tax revenue collection. The contribution of indirect tax in GDP is more than that of direct tax. There is high need

					to consolidateand simplify the tax laws.
3.	Jain, P.	2020	Reforms in Direct Tax Administrate on in India (1991-2016).	To examine the reforms at administrative level.	The result shows that the success of any tax policy depends to a large extent on efficient tax administration. Which would necessitate minimizing arrears of assessment and collection, pendency of appeals, tax avoidance and tax evasion and improve taxpayers 'compliance.
4.	Alagappa n, S.M.	2019	Indian Tax Structure – An Analytical Perspective.	To study the present tax structure in India and the recentreform undertaken.	Income tax plays an important role as a source of revenue and an effective measure of removal of economic disparity. The state should formulate a comprehensive and cohesive tax system which can balance the different objectives in view of its own requirements and goals.
5.	Jaiswal, K.S.	2019	Taxation Challenges of the E Commerce Transactions.	To explores the current and possible future trends in E-commerce.	There are clear points of difference between countries overthe future direction of the international tax rules on Digital Economy. Some countries are not convincedof the need for change, others believe that change should be targeted at the notion of "user participation", which is often observed as a key characteristic of many highly digitalized businesses. For other countries, any future change should not be limited to "digital firms", but should alsoapply to the economy as a whole.
6.	Sachin H. P.	2018	Performance of minimum alternative tax a study of selected companies in Karnataka.	To analyses therole of MAT in increasing revenue to the government exchequer and sector-wise analysis of the tax payment by the companies.	In his study researcher concludes that, on the sector wise corporate tax calculation and tax payment under section 115JB seems there is significant difference between the tax collections.
7.	Choudha ry, N.	2018	Economic analysis of change in Indian tax structure after	To analyses the changes happened in direct tax systemafter economic reforms during the period of	The tax structure in India still needs several changes. The tax system is failing toachieve the targets for the tax revenue. The inefficiency of the

			economic reforms.	study	system, the budgetary deficit and the fiscal deficits are increasing.
8.	Mohammed,A.	2018	A critical analysis of direct taxes in India.	To analyze the performance ofdirect tax in India.	Government has adopted several initiatives to increase the amount the direct tax revenue. These initiatives were effectiveup to a certain extent and leads to an increasing trend over the study period. So, attempt should be made todraft new legislation in simple and easy language and well understood by an ordinary people.
9.	Jaiswal, K.	2017	An analysis of tax regimes of BRICS Countries with special reference to income tax of corporate and non-corporate assessee	The study focuses to understand and analyze the income tax regime of BRICS countries. To analyze the income tax revenue and the e-taxation awareness of thetax payer ofBRICS countries.	The researcher has found that in terms of income tax revenue, Brazil is the country with highest income tax revenue. In terms of income tax revenue, there is a significant difference in the income tax revenue of corporate and non-corporate assessees of BRICS countries.
10	Pande, P. D.	2017	Corporate tax structure in India and corporate behavior.	To examine the corporate tax structure in India.	It is widely accepted that in a vastcountry like India decentralization of Industrial structure and employment creation for unemployed are major consideration of our development strategy. Study shows that these objectives may not be achieved with in the existing corporate tax structure inIndia.
11.	Jaiswal, K.	2017	Progressive Evaluation of Direct Tax Revenue in India,	To analyses the direct taxrevenue in India and also suggest certain measures to increase the same.	This paper examines the direct tax revenue collected in India. Theresearcher concluded that there has been increase in the tax revenue but still there are certain loopholes which need to be improved.
12.	Kumar, P.	2017	The Impact of Indian Taxation system on its Economic Growth.	To evaluate the impact of both direct and indirect taxes on economic growth of India.	Tax is one of the most important sources of revenue to the Government and at the same timeone of the deciding parameters for economic growth. Whereas direct tax impacts directly the disposable income, the indirect tax impacts the

					prices of goods and services in the market.
13	Ghuge, N.	2015	Indian tax structure- an analytical perspective.	To analyze the Indian taxstructure.	The tax is the major source of revenue for the government, the development of any country's economy largely depends on the tax structure it has adopted .A Taxation Structure which facilitates easy of doing business and having no chance for tax evasion. There is major dependence on indirect taxes for tax collection than the direct taxes.
14.	Samuel, R.	2015	Corporation tax in India a study of compliance cost compliance behavior and tax evasion in Goa.	To study the trend and measure to Buoyancy of corporate tax in India.	The share of direct taxes in total tax revenue has been gradually increasing.Direct taxes as a % of GDP has been growing and showing a continuous upward trend. The results of our survey show that one of the main reasons is attributed to frequent changes in the income tax laws of India
15.	Rajeswari, K.	2014	The trend and pattern of Income taxation in India.	To examine the income taxation of India.	The origin and evolution of Income Tax, income tax structure, expenditure incurred by the Indian government to collect taxes and direct tax GDP ratio.The Direct Tax Collection as a percentage of GDP is doubled as a result of improved tax administration and better tax compliance.
16.	Nagraj, G.H.	2010	An Impact of Recent Income Tax Provisions on Public Finance an Analytical Study.	To examine the tax system prevailing in developed and developing countries.	Researcher finds that there is little scope for including new areas for increasing tax revenue. Co-ordinated reforms should be undertaken at the central, state and local levels. Strengthen the tax department accountability through better articulation of departmental goals and more budgetary flexibility and individual accountability.
17	Marapalli ,R. G.	2005	Tax system reform in India: Achievements and challenges	To make the tax system broad-based, productive and efficient.	Indian tax system has come a long way from the narrow based, complicated and confiscatory tothe one that is far more efficient. The reforms in tax administration

			ahead.		promise increased revenues and, hopefully, that will provide theelbow room necessary for calibrating future reforms.
18.	Smart, M.	2002	Reforming the Direct–Indirect Tax Mix.	To study the changes regarding Direct and Indirect taxcomposition.	This paper provides a new framework for evaluating the welfare effects of commodity tax reforms.It is shown that tax reforms are welfare improving if and only if they satisfy the following intuitive property: on average, consumer prices fall forcommodities with high marginal excess burdens. The rule is then applied to analyze a shift from differentiated commodity taxation to direct flat-rate taxationof labour income.
19.	Bharat, S.	2002	Management of corporate taxation and tax planning inIndia.	The purpose of this study is to consolidate, summarize and to give an analytical view about thevarious provisions of Direct Tax Laws, their administration, implementation and their revenue raising capabilities.	Researcher says that in the light ofthe critical study of various aspects of corporate taxation in India and in the background of various deficiencies observed it may be said that pragmatic Tax Reforms including realistic tax brackets, simplification of tax laws and computerization of filing and collection procedures isutmost essential so as to eliminaterampant tax evasion, corruption and harassment of honest tax payers.

TABLE 2. INTERNATIONAL REVIEWS:

S.No.	Author	Year	Topic	Objectives	Findings
1.	Kadyan, J., Jenefa, L., & Naser, M. A.	2021	Analytical Review of Direct Taxation in India.	To make an analytical review of Direct Taxation in India.	Analytical review has been made to understand the quantum of direct tax collection,the relationship between direct tax collection with the total tax revenue collection and the cost of direct tax collection in India.
2.	Asen, E.	2020	Corporate tax rates around the world, 2020	To know the corporate tax rates prevailing the whole world.	In 2020, 10 countries made changes to their statutory corporate income tax rates. The average top corporate

					rate among EU27 countries is 21.47 percent, 23.51 percent in OECD countries, and 27.24 percent in the G7. The worldwide average statutory corporate tax rate has consistently decreased since 1980, with the largest decline occurring in the early 2000s.
3.	Korkmaz, S., Yilgor, M., & Aksoy, F.	2019	The Impact of Direct and Indirect Taxes on the Growth of the Turkish Economy.	To examine the impact of direct and indirect tax on economic growth.	The result of the study shows that the taxes are effectively used as a major policy instrument. The impact of both direct and indirect taxes on economic growth in Turkey has been analyzed by employing the autoregressive distributed lag (ARDL) approach. Test results suggest a positive and significant impact of indirect taxes on economic growth as well as a negative and significant impact of direct taxes.
4.	Đurović-Todorović,J., Milinkovic, I., &Kalash, B.	2019	The Relationship Between Direct Taxes and Economic Growth in OECD Countries.	The aim of the paper is to identify a potential linear correlation between direct taxes and economic growth.	The result of the study indicates, tax forms such as personal income tax, corporate income tax and tax on property, and their potential relationship with economic growth, measuredby GDP growth rate. The results of the group correlation matrix haveshown that there is a statistically significant relationship between tax revenues growth, personal income tax, corporate income tax and gross domestic product in OECD countries.
5.	Khan, U., Nallareddy, S.,& Rouen, E	2017	The Role of Taxes in the Disconnect Between Corporate Performance and Economic	We investigate the relation between the growth in corporate profits and the overall U.S.Tax.	The findings of the research shows that the underlying mechanism is fewer corporate profits being channeled into subsequent domestic investments when the U.S.

			Growth		tax rate is relatively higher, leading to lower economic growth. Our findings have implications for policy setters.
6.	Pomerleau, K., & Potosky, E.	2015	Corporate income tax rates around the world, 2015.	To analyze the corporate tax rate prevailing in the different countries of the world.	The corporate income tax rateis one of many aspects of whatmakes a country's tax code and economy attractive for investment. However, as the rest of the world's economiesmature and their tax rates on corporate income continue to decline, the United States risks losing its competitive edge due to its exceptionally high corporate income tax rate. Every region in the world hasseen a decline in its average corporate tax rate in the past twelve years
7.	George, R., & Reddy, Y.V.	2015	Corporate tax in emerging countries: some aspects of India.	To find out the corporate tax gaps in India and the possible reasons behind it.	Emerging countries play an important role in the world economy. India is undeniably rising as an important and vital country, not only among emerging countries but also in the global economy. The existing high fiscal deficit in the country necessitates the need to make revenue increase a primary concern of tax policy in India.
8.	William Gale G.	2014	Effects of Income Tax Changes on Economic Growth.	This paper examines how changes to the individual income tax affect long-term economic growth.	On the basis of findings of the research, researcher suggests that not all tax changes will have the same impact on growth. Reforms that improve incentives, reduce existing subsidies, avoid windfall gains, and avoid deficit financing will have more auspicious effects on the long-term size of the economy, but may also create trade-offs between equity andefficiency.

9.	Vethirajan,C., & Murugan, D.	2014	An analysis on topical impact of corporate tax rate in India.	This paper has made an attempt on Topical Impact of corporate tax rate.	This paper depicts that corporate tax, Tax rate schedule, impact of corporate tax, tax evasion and tax avoidance. Revenues from the corporate tax rate are an important source of income for the government of India.
10.	Azka A. & Majeed, A.	2014	Factors Affecting Tax Collection in Pakistan: An Empirical Investigation.	To identify and analyze the factors involved in direct and indirect tax collection in Pakistan.	Researcher says that the results indicated tax collection shrinks due to increasing corruption, inflation and political instability while trade openness and real per capita income boost tax revenues. The study suggested important policy implication for increasing tax collection in Pakistan.
11.	Muhammad,A.	2011	Determinants of Tax Revenue: A Comparative Study of Direct taxes and Indirect taxes of Pakistan and India.	To make comparison between India and Pakistan in term of tax revenue.	The results show that Pakistan is generating more tax revenue through indirect taxes whereas India is from direct taxes. By comparing the two regression equations and the standardized betas, we come to know that in Pakistan, more revenue is charged by levying indirect taxes whereas India is on the opposite side of it.
12.	Muhammad, S.D.	2010	Determinant of Tax Buoyancy: Empirical Evidence from Developing Countries.	The purpose of this paper is to find the determinant of tax buoyancy of developing countries.	Result shows that, the import, manufacturing sector, services sector, monetization and budget deficit influence positively the tax buoyancy while growth in grants impact negatively on tax buoyancy. The growth of agriculture sector has insignificant impact on tax buoyancy in case of developing countries because they are not taxed or under taxed.
13.	Martinez-Vazquez, J.,	2009	Direct versus Indirect Taxation:	To examine the evolution and economic	Researcher conclude that the underlying reasons for these trends have differed

	Vulovic, V., & Liu, Y		Trends, Theory and Economic Significance.	consequences over the last three decades of the direct to indirect tax ratio in the tax systems of a large number of Developed and developing countries.	between the two groups of countries, with increases in social security contributions being the main driver in the case of developed countries and a fairly large decrease in the relative importance of customs taxes that has been only partially offset by an increase in domestic consumption taxes in the case of developing countries.
14.	Taha, R.,& Loganathan, N.	2008	Causality between tax revenue and government spending in Malaysia.	The main objective of this study is empirically testing the causality between tax revenues and government spending in Malaysia for the past 36 years by applying an econometrics model.	Researcher conclude that, results provide evidence forthe existence of a long-run relationship between tax revenues and governmentspending with unidirectional and bidirectional causality in VAR models for the sample period 1970-2006.Total tax revenue has always been a major contribution to Malaysia's federal government revenue. Income tax is one of the surest ways to fund the government.
15.	Claudio ,M. Radaelli , Ulrike S. Kraemer	2008	Governance Areas in EU Direct Tax Policy.	To examine co-operation, use a multi-actor perspective to Explain the selection of modes of governance and bridge the gap between the Strategic and ideational.	This research focuses on governments and does not integrate purposeful political strategy with the ideational dimension of policy change. We then examine the limitations of political strategy, by showing how a third governance arena dominated by the EuropeanCourt of Justice has become increasingly important, with little control exercised by the Commission and the MemberStates.
16.	Graham, J. R.	2003	Taxes and Corporate Finance: A Review.	To reviews tax research relatedto domestic and multinational capital structure, payout policy,	For each topic, the theoretical arguments explaining how taxes can affect corporate decision making and firm value are reviewed, followed by a

				compensation policy, risk management, and organizational form.	summary of the related empirical evidence and a discussion of unresolved d issues. Tax research generally supports the hypothesis that high tax rate firms pursue policies that provide tax benefits.

RESEARCH GAP

The Researcher observed the following gaps while studying the previous studies:

- The Researcher came across several studies which were related to taxation. Researchers found that:
- Most of the above research was based on the tax reform, Collection of tax revenue, Challenges and problem of E-taxation, Tax rates, Incidence of corporate income tax, Tax administration, Impact of Direct tax on economic growth of the country and Tax structure of BRICS countries.
- There have been few works done in the area of the corporate and non-corporate tax structure. Therefore,the Researcher has taken this as a base for the present study.
- This study will help in comparing past and present trends of corporate and non-corporate tax in India during the specified period of research. Which will be helpful in assessing the future growth of the direct tax structure in India and forming effective tax policies which will ensure the interest of business entities and common man of the society.
- The present study is an attempt to fulfill all the existing gaps to draw a proper conclusion. India is an emerging economy that has future potential for expansion. Tax is a major contributor to the economic development of any country.
- The present study is an attempt to fulfill all the existing gaps to draw a proper conclusion. India is an emerging economy that has future potential for expansion. Tax is a major contributor to the economicdevelopment of any country.

NEED OF THE STUDY

- The Government requires funding to aid operating public institutions, developing the country's infrastructure and financing public welfare initiatives and schemes. In exchange for providing these amenities, a government generates the revenue required for them by taxing its various assesses.
- This study will be helpful in providing information regarding the net income tax collection of

corporateand non- corporate assessees and also provide the information regarding differences in the collection oftax from different states. And it will facilitate the government to identify the reasons of difference andwill help in taking necessary action to improve the situation.

- This study will also helpful in identifying the problems of taxation procedure because of that tax collection does not maintain an increasing trend and also suggests some measures through which government may frame such types of policies and plans which not only ensure the interest of a businessperson but also interest of a common man of the society.
- Tax is a unique instrument of mobilization of resources available to any government. Growing Internationalization of economics has made it imperative that taxation policy in a country be formulated.
- Not only keeping in view the internal factors, but also the circumstances prevailing and policy beingadopted in other countries.
- With the globalization of the economy, a country can't live in isolation. Any change in the world scenario affects the economic and other policies of all the countries.

OBJECTIVES

1. To analyze the State-wise (and Union territory-wise) progress of Net Income tax collection (related tocorporate assesses and non-corporate assesses) in India.
2. To examine the relationship between the State and National Net Income tax collection with the Stateand National GDP.
3. To study the effectiveness of Net Income Tax Collection in India based on selected key factors.
4. To carry out a SWOT Analysis of the Income tax system of corporate and non-corporate assessees inIndia.

HYPOTHESIS

H_{o1}: There is no significant difference between the State-wise (and Union Territory–wise) progress of NetIncome tax collection (related to the corporate assessee and non-corporate assessee) in India.

H_{o2}: There is no significant difference between Net Tax Ratio in different years.

RESEARCH METHODOLOGY

For achieving the objectives of the study, the following research methodology will be used:

- **Research Design:** This is a descriptive and analytical study.
- **Area of Study:** Income Taxation in India.
- **Sample Size:** The researcher has taken all Indian states and Union territories for the study.
- **Data Collection**

This research will be based on both types of data that is primary data and secondary data.

- **Primary Data:** Primary data will be collected from the 300 respondents. Respondents will be tax practitioners, tax officials, chartered accountants, and academicians. Primary data will be collected through the questionnaire.
- **Secondary Data:** Secondary data will be collected from the official websites of the Departmentof Income tax, Department of revenue, a report published by the Ministry of Commerce and Industry and Ministry of finance, Comptroller and Auditor General of India, other InternationalFinancial Organization, books, journals and Newspaper etc.

- **Analytical Tools**

- **Statistical Tools:** For the analysis of data the Researcher will use accounting and statistical tools like Average, Percentage, Trend Analysis, t-test, ANOVA, Factor Analysis, Regression and other statistical tools.
- **Presentation Tools:** Data will be presented with the help of charts, tables, graphs, bars and diagrams etc.

- **Duration of Study**

This study will cover the period of ten assessment years from 2012-13 to 2021-22.

TABLE 3- OBJECTIVE WISE RESEARCH METHODOLOGY

S.NO	OBJECTIVES	RESEARCH METHODOLOGY
1.	To analyze the State-wise (and Union territory-wise) progress of Net Income tax collection (related to the corporate assessee and non-corporate assessee) in India.	For achieving this objective, the Researcher will collect the data from secondary sources (reports published by the Department of Income-tax, Ministry of Commerce and Industry and Ministryof Finance, Department of revenue, and reports published by other International financial organizations) and this data will be analyzed with the help of Trend analysis and t-test and ANOVA.

2.	To examine the relationship between theState and National Net Income tax collection with the State and National GDP.	To achieve this objective the Researcher willcollect the data from secondary sources (reports published by the Department of Income tax, Ministry of Commerce and Industry and Ministryof finance, department of revenue and reports published by other international financialorganizations) and this data will be analyzed with the help of regression analysis.
3	To study the effectiveness of Net Income Tax Collection in India based on selected key factors.	To achieve this objective the Researcher willcollect the data from secondary sources and the effectiveness of Net Income tax collection inIndia will be studied with the help of selected keyfactors (Net Tax Ratio, Numbers of Taxpayers, Average Net Tax Collection, Contribution of Nettax Collected in GDP etc.) and for analysis of data, Trend analysis and regression will be used.
4.	To carry out a SWOT Analysis of the Income tax system of corporate and non- corporate assessees of India.	For achieving this objective, the Researcher will frame a structured questionnaire for collecting data and data will be analyzed with the help of Factor analysis and other statistical tools will also used.

TABLE 4. PROPOSED CHAPTER PLAN

Chapter 1	Introduction
Chapter 2	Progress of Corporate and Non-Corporate tax in India.
Chapter 3	Analysis and Interpretation of State and National Net Income tax collection with the State and National GDP.
Chapter 4	Analysis and Interpretation of effectiveness of Net Income Tax collection in India.
Chapter 5	SWOT Analysis for the Income tax system in India.
	Conclusions, findings and suggestions & reference Bibliography appendix

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